



Approved: 2-19-08

KHPA Board Meeting
January 22, 2008

Board Members Absent:

Rob Kaplan
Susan Page

Call to Order and Welcome – Connie Hubbell, Board Chair

Chair Hubbell called the meeting to order and review today's agenda.

Approval of Board Minutes. The minutes from the November 13, 2007 KHPA Board meeting had been previously distributed and reviewed by the members.

- **ACTION:** A motion was made, seconded and passed to approve these minutes as printed.

2008 KHPA Board Retreat Dates. The Board will hold its annual retreat Wednesday/Thursday, June 18 and 19, 2008, at the Eldridge Hotel, Lawrence KS.

KHPA Updates and Announcements – Marci Nielsen, Executive Director

Introductions of new KHPA Outreach Manager and Legislative Analyst. Mandy Cawby, KHPA Outreach Manager, and Reagan Cussimano, KHPA Legislative Analyst, were introduced to the Board, both who have joined the agency within the past two months. Also introduced was Cheryl Miller, Manager of the HealthQuest Program, which is a program co-sponsored by KHPA and the Health Care Commission (HCC) which provides a variety of wellness opportunities to state employees and other eligible individuals.

Recent Press Events. On January 10, 2008, the Governor, joined by Senators James Barnett and Laura Kelly, announced her endorsement of the KHPA health reform recommendations. Also attending were members of the Health for all Kansans Steering Committee and several Board members. Additionally, a Legislative Fitness Day was held on January 15, 2008, at which time the new health and wellness options to the State Employee's Health Benefits Plan were announced. During this event, a number of Kansas Representatives challenged the KHPA Board members to a fitness challenge.

Legislative Updates.

- A schedule of December and January legislative hearings was reviewed. Testimony will be given on: the Health Reform Recommendations, the State Employees Health Benefit Plan, Prior Authorization for Medicaid Pharmaceuticals, Bariatric Surgery, and Citizenship/Identity Verification.
- A Legislative Bill Tracking Report will be prepared and distributed to the Board beginning with the February 19, 2008, meeting. This report will outline bills of interest to KHPA, the sponsoring committee and/or legislator, and status of the legislation.

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State Employee Health

Benefits and Plan Purchasing:
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Review of KHPA Board Policy. The Legislative and External Communication Policy was reviewed with the members. This reviewed was done as an informational agenda item only.

Health Reform Update.

- A **List of Public Support for Health Reform Recommendations** was distributed. This list provided the names of organizations and businesses which have provided a letter of support for the health reform recommendations to the Governor's Office, to Senator Barnett, and to KHPA. The list of supporting organizations included businesses, commissions, health care consumers and underserved associations, health care facilities, the insurance industry, medical groups, public health groups, and individual Advisory Council members.
- The minutes from the recently-held **Advisory Councils** (Consumer, Provider, Purchaser, and At-Large Councils) were reviewed. Additional Council meetings are being tentatively proposed for late spring 2008.
- It was announced that an additional \$200,000 in grant funding had been approved by the Robert Wood Johnson Foundation for the **Kansas State Coverage Institute (SCI)** Team to continue work in the development of small business market reform models. KHPA is working with the Kansas Insurance Department Office to consider redefining the Kansas Business Health Partnership (BHP) which had been meeting during 2004 and 2005 to develop ways to provide affordable health insurance to small-business employees. Membership to the BHP included small businesses and representatives from the KS Insurance Department, KHPA, and Dept of Commerce.
 - An update on the BHP will be provided at the February Board meeting.
- The Health Reform Recommendations which had been revised on December 10, 2007, is now available at: www.khpa.ks.gov. One of the revisions made to the report related to the revised revenue estimate for the proposed increase for user fee on all tobacco products (cigarettes and smokeless tobacco products). There was also a statement clarifying that revenues generated by the increased tobacco taxes would be deposited in an interest bearing health reform trust fund. Copies of the revised pages related to the proposed increased tobacco user fee and the statewide smoking ban were distributed to the Board members.
- KHPA has been working with the Revisor of Statutes' Office to develop the legislative language for the health reform legislation. The final bill language will be complete by February 15, 2008.
 - An update on the Health Reform legislative language will be provided at the February Board meeting.
- Draft copies of the **KHPA Annual Legislative Report** were distributed for the Board's approval, which will be distributed via email to the members of the 2008 legislature. The members felt that the report was very instructive and that it clearly described the vast array of programs and services managed by KHPA. The Board members approved issuing a Board Resolution to the KHPA staff, as a means to recognize their contributions to the management and operations of the agency and its services and programs. The Board also agreed to host a KHPA Staff Recognition event to take place following an upcoming Board meeting.
 - **Action Item:** A motion was made, seconded, and carried to approve the draft KHPA Annual Legislative Report as printed. After minor edits are made, the final copy of the Report will be available at: www.khpa.ks.gov.

Medicaid/HealthWave and State Employee Health Benefits Plan Updates - Dr. Andrew Allison, KHPA Deputy Director

- A review of the December 5, 2007, meeting by the **Health Care Commission** was held along with a review of related SEHBP historical Plan revenues, expenditures, and balances. Mike Michael, Deputy Director of SEHBP, was introduced to the Board.
- The **SCHIP Reauthorization** is still being debated by Congress. A SCHIP funding extension has been granted to states through federal fiscal year 2008, which would be September 30, 2008. The Board will be kept apprised of this situation.
- The design of the Kansas Healthy Choices was announced, and copies of the Request for Information (RFI) and a Fact Sheet for the KHC Program were distributed. The proposed plan has been submitted to the Centers for Medicare and Medicaid Services (CMS) for federal approval. Targeted implementation date for Phase I of KHC is January 2009. There is more information on the KHC available at: www.khpa.ks.gov.

- There will be quarterly reports for Medicaid, SEHBP, and caseload estimates provided at the February Board meeting.

Data Consortium Report – Dr. Hareesh Mavoori, Director of Data Policy and Evaluation

The newly-developed KHPA Data Consortium, which has been charged to ensure the effective collection and dissemination of health care data, held its first meeting on December 18, 2007. During this time, an overview of the role and the statutory authority for the Consortium was provided. The first task requested of the Consortium by KHPA was the development of a set of recommended measurements for four of the six health indicators which were approved by the KHPA Board in fall, 2007. Those indicators which will be studied are: 1. Access to Care, 2. Quality & Efficiency, 3. Affordable, Sustainable Health Care, and 4. Health and Wellness. In response to the Consortium's discussions held that day, there were proposed changes made to the Data Consortium Charter approved by the Board in April 2006. These proposed revisions allow for the appointment of two major health insurance carriers made by the KS Insurance Department, and the establishment of four working groups rather than the original three working groups. A copy of the red-lined version of the Data Consortium charter was distributed and reviewed by the Board.

- **ACTION ITEM:** A motion was made, seconded, and passed to approve the revisions made to the Data Consortium charter.

Nursing Facility Provider Assessment

- Secretary Kathy Greenlee, Department on Aging, provided background on the nursing facility provider assessment issue.
- Dave Halferty from the Department on Aging and Kevin Londeen from Myers and Stauffer LC were introduced to the Board, and followed with a slide presentation which described reimbursement parameters, Medicaid nursing facilities' rate history and statistics, an overview of the provider tax, and potential benefits risks.
- The report prepared by Department on Aging was reviewed by the Board. Secretary Greenlee advised that her agency has remained neutral on this issue and cited a number of significant issues which should be considered before implementation of a provider assessment. Those issues would include: 1) impact on quality of care; 2) impact on markets; 3) impact on balance of use of institutional care vs. community services for long-term care; 4) risk of potential federal regulatory restrictions; and finally 5) the philosophical differences between the provider associations. She closed by stating her staff would continue to work with KHPA with the goal being to incorporate such an assessment into a broader long-term care policy and that her staff are available to provide the Board with additional data relating to the impacts and risks in the areas described above.
- Dr. Nielsen reviewed briefly the KHPA staff recommendations which were: a) defer to the policy leadership of KDOA in this issue; b) continue to work collaboratively with Department on Aging staff to provide necessary resources; and c) KHPA agrees with the Department on Aging that the provider assessment should be part of a broader strategic plan for improving quality and access to long term care services in Kansas.
- **ACTION ITEM:** The Board accepted the KHPA recommendations on this issue and requested that this proposal be discussed again later this year. At such time that the Governor's Office and Department on Aging both support legislation effecting a provider assessment for nursing facilities, then the Board would most likely provide support as well.

Remarks by Legislative Leadership

Board Chair Connie Hubbell introduced the following members of the legislative leadership:

House Speaker Melvin Neufeld, Senate President Steve Morris, Senator Jim Barnett, House Minority Leader Dennis McKinney, Representative Jim Ward, and Senate Minority Leader Anthony Hensley

These legislators individually provided remarks to the Board members on their expectation of the 2008 legislative session, critical issues for the upcoming session, and their vision for the health reform recommendations during the upcoming session. All legislators thanked the Board members for their work and commitment to improving the health of Kansans, and acknowledged the work done by KHPA staff on the day-to-day operation of the agency and its programs. They all provided positive comments about the Health Reform Recommendations and appreciated the attention given in the areas of personal responsibility, prevention, and health information technology. They

acknowledged that the proposed state-wide smoking ban and the proposed increase in tobacco products users' fee are more controversial and that it will take additional education and outreach efforts for the legislators to fully understand the complexity of the recommendations and the proposed funding streams. In addition, the legislators spoke to other critical issues which are facing Kansans which included: 1) workforce development, 2) early childhood development, 3) the budget situation both at the national and state levels; 4) shortage of pharmacists and dentists in Kansas; 5) development of energy sources; 6) tourism development for Kansas; 7) quality transportation system; 8) controlling Medicaid costs; and 9) economic development issues. Board Chair Connie Hubbell and Dr. Nielsen expressed their appreciation to the legislators for their remarks to the Board.

Update on Office of Inspector General – by Robin Kempf

- Highlights from the first OIG Annual Report was reviewed by the Board. This report is available at: www.khpa.ks.gov
- The proposed recommendation to change KSA 75-7427 was reviewed; this proposed amendment would change the reporting structure to require the OIG to report to the KHPA Board rather than the KHPA Executive Director. Ms. Kempf advised she plans to bring this proposed amendment to the 2008 Legislature upon approval of the KHPA Board.
- **ACTION ITEM:** A motion was made, seconded, and carried to accept and adopt the OIG report and to approve the recommendation to amend KSA 75-7427 to be submitted to the 2008 Legislature.
- **ACTION ITEM:** A motion was made, seconded, and carried to adopt the recommended changes to the KHPA Board By-laws which would create a structure for the formal governance of the OIG.

Governance Issues – by Phil Elwood, Board Legal Counsel

- The KHPA Board Conflict of Interest Policy, which was originally approved by the Board in June 2006, was reviewed by the Board members. This Policy outlines definitions and protocol relating to disclosure of conflict of interests, and is one of the Board policies which will be annually reviewed by Board members. A brief discussion was held regarding the annual completion of the Statement of Substantial Interest statement which is done April of each year, sent to the Secretary of State's Office.
- The proposed Resolution on Delegation of Authority which had been presented to the Board at the November 2007 meeting was approved. This Resolution outlines the Delegation of Authority to and by the KHPA Executive Director for KHPA interagency agreements. KHPA Board Legal Counsel clarified that this resolution is separate from the Delegation of Authority approved at the November 2006 Board meeting, which relates to the delegation of authority to and by the Executive Director for KHPA contracts and grants.
 - **ACTION ITEM:** A motion was made, seconded, and carried to approve the proposed Resolution on Delegation of Authority, which relates to KHPA interagency agreements.
- The recent legal opinion offered by the KHPA Board Legal Counsel relating to the signature authority between KHPA and the Health Care Commission (HCC) was discussed. The issue presented was whether or not KHPA has the authority to sign contracts on behalf of the HCC. Counsellor Phil Elwood advised that KSA 75-6404 specifically grants the HCC authority to enter into contracts for the implementation of a state health care benefits program. Accordingly, KSA 75-7405(d) states that KHPA will assume operational and purchasing responsibility for the HCC. The HCC for a number of years had been the sole entity to establish and design state health care benefits. When KHPA was created, the HCC's authority to contract for state health care benefits remained unchanged; however the authority for program design, implementation, and support was directed to KHPA. There has been a recommended signature arrangement proposed, allowing for signatures from both HCC and KHPA on each state health care plan contract. Another recommendation allows for the HCC's adoption of a Resolution proposing a Delegation of Authority which would authorize the KHPA Executive Director to sign the above-described contracts.
 - An update on this issue will be provided at the February Board meeting.

Request for Public Comment – by Board Chair Connie Hubbell

There were no public comments received during this public comment period.

Executive Session Called – by Board Chair Connie Hubbell

A call for an Executive Session was made to discuss a personnel issue. A motion was made, seconded, and carried for the Board to go into Executive Session at 2:30 pm. The public meeting will reconvene at 3:05 pm.

The Executive Session was extended until 3:35 pm. The public meeting reconvened at 3:40 pm.

- **ACTION ITEM:** A motion was made, seconded, and carried, to formally approve a Board Resolution to KHPA Staff which will be presented at a Staff Recognition event to be scheduled late Spring 2008.

Agency Budget Report – Scott Brunner, Chief Financial Officer

The following financial reports were reviewed and discussed:

- **FY 2008 Expenditure Report (thru December 2007)**
- **Table of FY 2009 Governor's Budget Recommendations for KHPA.** It was noted that the agency's enhancement request for FY 2009 were all funded in the GBR. Dr. Nielsen added that an amount of \$450,000 had been included in the GBR for funding the recommendations from the Health Information Exchange (HIE) Commission. It was also noted that approximately \$8 million had been deleted from the funding for the MediKan Preferred Drug List, as part of the reduced resources listing which state agencies are required to provide. Dr. Nielsen advised KHPA will be working with the mental health advocates and pharmacists in follow-up to this budget revision.
 - KHPA will continue to work with the Governor's Office to formalize a HIE Advisory Council, and Dr. Nielsen will provide an update on the HIE Commission at the February Board meeting.
 - An update on the MediKan Preferred Drug List budget deletion will be provided at the February Board meeting.
- **Analysis of KHPA Contracts over \$250,000**
- **Estimated Costs of SB 11 and KHPA Health Reform Proposals.** This outlined the projected estimated costs for the Health Reform Recommendations and the Premium Assistance plan approved in SB 11, as well as projected revenue estimates from the increase in the tobacco products users' fee.

Adjournment of Meeting – by Board Chair Connie Hubbell

- The meeting was adjourned.
- The next Board meeting is scheduled for Tuesday, February 19, 2008, beginning at 8:30 am at the Capitol Plaza, Shawnee A Room, 17th and Topeka Blvd., Topeka KS.
- Agenda Items for February Board Meeting will include:
 - Remarks by The Honorable Kathleen Sebelius, Governor of Kansas
 - Update on Health Reform: status of health reform bills
 - Quarterly report on SEHBP and Medicaid performance
 - Report on Medicaid caseload estimates
 - Legislative Update: Bill Tracking Report, Testimony
 - Update on Governor's Budget Recommendations relating to: Health Information Exchange Commission, MediKan Preferred Drug List